issued only licensing requirements/ stock declaration (of these 23, 18 States/UTs have actually issued stock limit Orders; 5 States/UTs have issued licensing requirements/stock declarations).

Speculative trading of essential commodities

3297. SHRI MOINUL HASSAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is aware that even before the impending drought conditions arose, speculative trading in essential commodities was playing havoc with the prices;

(b) whether Government is also aware that in the month of June, 2009 alone, the cummulative value of trading in the commodity exchanges, according to the report of the Forward Markets Commission of India was a staggering Rs.15,64,l 14.96 crores from Rs. 2,21,888.06 crores in June, 2007; and

(c) if so, by when Government would ban the speculative trading in essential commodities in order to control the price rise?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) Facts show that futures trading in essential commodities has not been responsible for the price rise in recent period. There is no future trading in Urad and Tur since January 2007 when it was suspended. But the prices of these commodities are showing sharp increase during 2008-09 and 2009-10. The year-on-year price increase (in terms of Wholesale Price Index) at the end of financial year 2008-09 (29.3.2009) was 14.7% for Urad and 17.1% for Tur. During the year 2009-10 (as on 28.11.09) Y-o-Y increase was 59.46% and 72.25% for Urad and Tur respectively. As against this there is futures trading in Gram. Year on Year change of Prices of Gram was negative at -6.8% in 2008-09 and 4.32% during 2009-10 (as on 28.11.09) respectively. Therefore, the increase in prices of commodities need not necessarily be attributed to future trading. In fact an Expert Committee appointed by the Government of India under the Chairmanship of Planning Commission's Member Prof. Abhijit Sen to examine whether futures markets was responsible for rise in the prices of essential commodities in its report submitted in April 2008 did not find futures market responsible for the increase of the prices of essential commodities. The forward trading in a commodity is a mechanism for price discovery and price risk management and not a mechanism to check price rise. The futures market gives price signals for future periods of time based on the most likely supply and demand situation at those points of time. The market is tightly regulated. There are various effective tools like margins, price band, open interests limit etc. which the Regulator (Forward Market Commission) employs to regulate futures trading.

(b) The total value of trade during period three months of April to June 2009 was Rs.15, 64,114.96. The value of trade during the corresponding period of April - June 2008 was

Rs.11,15,326.99 and that of the corresponding period of April-June 2007 was Rs.8,97,816.52. Figures for the month of June 2009, June 2008 and June 2007 were Rs. 5,77,056.718 crores, Rs. 4,13,551.34 crores and Rs. 2,82,550.35 crores respectively.

(c) In view of the answer to part (a) above, there is no case for banning futures (speculation) trading in essential commodities.

Price-rise of pulses and edible oils

3298. SHRI BHAGIRATHI MAJHI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that there has been a significant increase in the prices of edible oils and pulses in the country and in the international market during the period May-November, 2009;

(b) if so, the average prices of different edible oils in the country and in the international market during the said period;

(c) whether Government has taken any action to meet these price differences in the country and in the international market; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) The domestic and international prices of edible oils have been stable during the last six months, whereas, prices of most of the pulses in the domestic and in the international market have increased during May-November 2009. The details of monthly average prices of edible oils in the country and in the international market during the period May-November, 2009 is given in the Statement *(See* below).

(c) and (d) The Government have taken the following actions to contain the prices of edible oils:

(i) The custom duties on crude and refined edible oils have been reduced to nil and 7.5% respectively since 01.04.2008. It has been decided that this duty structure would be continued till 30.9.2010.

(ii) The Government have banned export of all major edible oils from the country since 17.3.2008 upto 30.9.2010.

(iii) The Government have launched a Scheme on 28.07.2008 to distribute upto 10 lakh tons of edible oils to States/UTs at a subsidy @ Rs.15/- kg. which was enhanced to Rs.25/- kg. from January, 2009 to March, 2009. The Scheme is believed to have helped to soften the prices of edible oils in domestic market as per feed back received from State Governments. The Scheme has been continued in the current year also with a subsidy of Rs.15/- per kg. to import upto 10 lakh tons of oils till 31.03.2010. So far, nine State Governments/UTs had intimated their requirements of edible oils, have been allocated edible oil under the Scheme. As on 11.12.2009, 106500 tons of edible oil has been contracted for import under the Scheme.